

Third Point Publishes Q4 2024 Investor Letter

Third Point LLC, the Investment Manager of Third Point Investors Limited (the “**TPIL**” or the “**Company**”) announces that it has published its quarterly investor letter for Q4 2024. The full letter can be accessed at the Company’s website: <https://www.thirdpointlimited.com/resources/portfolio-updates>

Highlights:

- Third Point’s flagship Offshore Fund (the “**Master Fund**”) achieved a 9.1% gain in the Fourth Quarter and 24.2% for the full calendar year.
- Returns for the full year were driven by positive results across all strategies, including equities, corporate and structured credit, and privates.
- Third Point LLC (the “**Third Point**” or the “**Investment Manager**”) outlined its view on the macroeconomic environment as well as several portfolio positions, including Brookfield, Live Nation, Siemens Energy, and Pacific Gas & Electric. It also provided updates on the corporate credit and structured credit portfolios, as well as the recent acquisition of AS Birch Grove, a diversified alternative credit fund manager.

Performance Key Points:

- Third Point returned 9.1% in the Master Fund during the Fourth Quarter of 2024, bringing the year-to-date return to 24.2%.
- The top five positive contributors for the quarter were Siemens Energy AG, Amazon.com Inc., Tesla Inc., LPL Financial Holdings Inc., and Apollo Global Management Inc.
- The top five negative contributors for the quarter were Danaher Corp., Glencore PLC, Ferguson Enterprises Inc., Intercontinental Exchange Inc., and a short position. Å Å Å Å

Outlook and Market Commentary:

- Returns for the full year were broadly positive across Third Point’s strategies, including equities, corporate credit, structured credit, and privates.
- Throughout the year, Third Point highlighted its diversified portfolio of equity investments, some with event-driven catalysts, others with quality characteristics, and several idiosyncratic themes that differentiated returns from that of key indices.
- As market returns broadened out during the second half of the year, Third Point believes it was well positioned to take advantage, with successful rotation into consumer discretionary, financials and industrials names helping it to capture the upside of the post-US election rally.
- Moving forward, the Investment Manager believes that the intersection of economics and policy has made employing second-order thinking important, especially with regards to news headlines and policy declarations. Recent examples where nuanced analysis was required include the recent interest in DeepSeek, a Chinese AI assistant, and Donald Trump’s initial tariff pronouncements.
- Overall, Third Point expects the environment for investing in equities to continue to be favourable, with the caveat that there will likely be periodic dislocations caused by the unconventional approach of this Administration in conveying and enacting policy that affects markets and the economy.
- The Investment Manager remains optimistic about the sectors that will benefit from certain of these policies, as well as an increase in M&A and other corporate activity which supports its event-driven framework. Å

Position Updates

- Brookfield
 - The Investment Manager implemented a position in Brookfield Corp. last summer. Third Point believes Brookfield is uniquely positioned to be a beneficiary of the secular growth tailwinds around infrastructure, where it is the preeminent global franchise, and private credit, where it is a top player with 250 billion in fee-earning credit assets.
- Live Nation Entertainment
 - Third Point initiated a position in Live Nation Entertainment in Q2 2024. It saw what it viewed as an attractive entry point after the shares fell on news of an antitrust lawsuit from the US Department of Justice. The Investment Manager believes the antitrust fears are overblown, and that the company can compound earnings through the next decade, driven by strong demand for concerts, robust pricing power, and a sizeable opportunity to reinvest in owned and operated venues.
- Siemens Energy
 - Third Point established a position in Siemens Energy in late Q3 2024. Missteps in its wind business have depressed the stock price despite favourable fundamentals in the company’s other business segments. Third Point believes that the wind issues were adequately provisioned for, which will allow the resurgent gas turbine business and secularly growing grid technology business to drive results.
- Pacific Gas & Electric Co.
 - While Pacific Gas & Electric had no direct involvement or exposure to the recent Los Angeles wildfires, the stock has reacted negatively to these developments. We believe Pacific Gas & Electric meanwhile has been an advocate for undergrounding, which we believe is the only way to permanently eliminate wildfire risk from grid assets. The stock is now trading at the same multiple as the California utility company that does potentially have exposure to these wildfires despite zero potential financial liability. The investment manager expects more clarity from the state of California over the coming weeks and months.

Credit Updates

- Corporate Credit

- Third Pointâ€™s corporate credit portfolio outperformed the high yield index for the full year, with strong performance in the Fourth Quarter due to strong performance from telecom positions as well as the government-sponsored enterprises, Fannie Mae and Freddie Mac.
 - The Investment Manager believes it will see more opportunities in distressed situations with the rise of Liability Management Exercises, which involve an out-of-court exchange offer where a sponsor is seeking to reduce the principal amount of debt, reduce interest expense and/or extend maturities. Â
- Structured Credit
 - Positive returns in structured credit were driven by three major themes: strength in demand for exposure to residential mortgages, a focus on secondary trading of risk, and credit spread tightening in asset-backed securities.
 - Third Point expects M&A activity to increase in 2025, which will likely result in more banks selling consumer and mortgage loan portfolios. Â

Acquisition of AS Birch Grove

- In December, Third Point announced its acquisition of AS Birch Grove, a diversified alternative credit fund manager with approximately 8 billion of AUM. Birch Groveâ€™s funds include a well-established CLO business with over 5 billion in AUM, a private credit offering that complements Third Pointâ€™s current skillset, a credit solutions product, and several other strategies.
- Birch Groveâ€™s CEO/CIO Jonathan Berger will become Third Pointâ€™s Co-Head of Credit alongside Partner Ian Wallace. Ian and other existing credit professionals at Third Point will maintain their existing roles and work with Jonathan and Daniel Loeb to develop new credit products reflecting the firmsâ€™ complementary strategies.
- The Investment Manager anticipates significant synergies between Third Pointâ€™s newly created private credit effort and Birch Grove. It also expects that Birch Groveâ€™s CLO business, focused on tradeable term loans, will help Third Pointâ€™s existing structured and corporate credit efforts by providing a window into over 400 leveraged loans that can serve as an early warning system for potentially stressed and distressed opportunities.

Press Enquiries

Third Point

Elissa Doyle, Chief Communications Officer
and Head of ESG Engagement
edoyle@thirdpoint.com
Tel: +1 212-715-4907

Burson Buchanan

Charles Ryland
charlesr@buchanan.uk.com
Tel: +44 (0)20 7466 5107

Henry Wilson
henryw@buchanan.uk.com
Tel: +44 (0)20 7466 5111

Notes to Editors

About Third Point Investors Limited

www.thirdpointlimited.com

Third Point Investors Limited (LSE: TPOU) was listed on the London Stock Exchange in 2007 and is a feeder fund that invests in the Third Point Offshore Fund (the Master Fund), offering investors a unique opportunity to gain direct exposure to founder Daniel S. Loebâ€™s investment strategy. The Master Fund employs an event-driven, opportunistic strategy to invest globally across the capital structure and in diversified asset classes to optimize risk-reward through a market cycle. TPILâ€™s portfolio is 100% aligned with the Master Fund, which is Third Pointâ€™s largest investment strategy. TPILâ€™s assets under management are currently approximately 600 million.

About Third Point LLC

Third Point LLC is an institutional investment manager that actively engages with companies across their lifecycle, using dynamic asset allocation and an ethos of continuous learning to drive long-term shareholder return. Led by Daniel S. Loeb since its inception in 1995, the Firm has a 46-person investment team, a robust quantitative data and analytics team, and a deep, tenured business team. Third Point manages approximately 11.7 billion in assets for sovereign wealth funds, endowments, foundations, corporate & public pensions, high-net-worth individuals, and employees.